TEAMSTERS LOCAL
705 UPDATE
VOLUME 1 • NUMBER 5 • AUGUST, 1997

Welcome to the summer edition of UPDATE. In keeping with the season, we've tried to lighten up a bit this month, while still keeping you informed about important labor issues around the Local and across the country. This issue is a little shorter and we've added a few touches we hope will get you chuckling. Also, instead of tackling a complex issue, our special feature this month is a collection of you-won't-believe-what-they're-up-to-now, corporate horror stories. As embarrassing as these stories should be to corporate America, we didn't even have to go digging in back alleys to come up with them. The pro-business press comes right out and reports this stuff because, frankly, they just don't get it!

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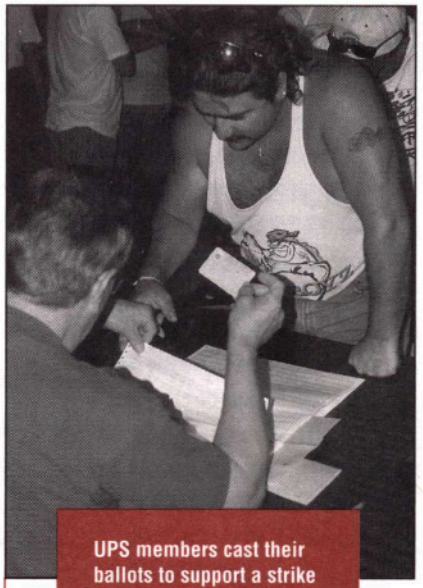
"Ready to Strike If We Have to!"

That was the word Sunday, July 13 when more than 2,000 UPS members streamed into the Local 705 auditorium to cast strike votes in response to management's refusal to make meaningful movement in national and local contract negotiations.

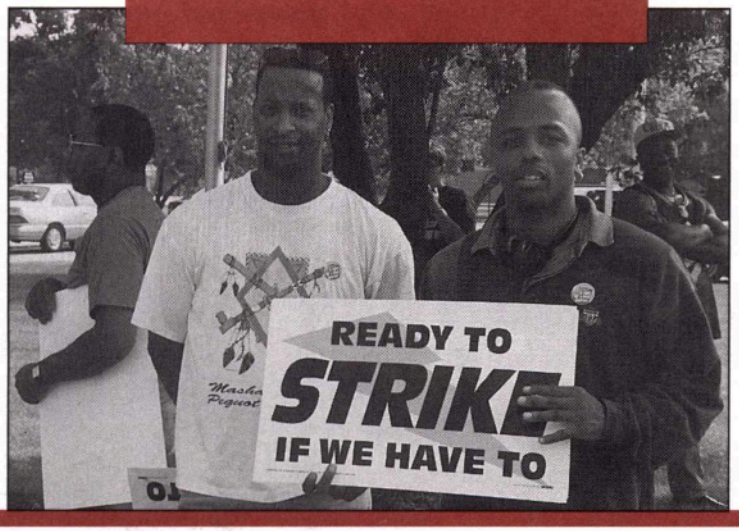
Support for the Union's bargaining team was overwhelming—2,026 members voted to strike if necessary, while only 39 voted against. With 98 percent of its members prepared to support a strike, Local 705 proved to be one of the most solid locals in the country. Nationwide, UPS members voted 60,936 to 3,172 (95 percent) to support a strike if that's what it will take to win a fair contract and protect Teamsters' rights.

Voting to strike is always a difficult decision, and no one takes it lightly. So when UPS Teamsters put numbers like these on the board, even management should be able to see that the members are ready to do whatever it takes to get a contract that offers continued improvements in pensions and wages for full-time employees, and raises and full-time jobs for part-timers. The new contract must also include some provisions for addressing the company's outrageous safety record.



UPS members cast their ballots to support a strike if necessary.

Local 705 proved to be one of the most solid locals in the country, with 98 percent of UPS members voting to support their bargaining team.



Beltmann Settlement Nets $25,000 and 10 New Members

In April UPDATE reported that an administrative law judge found Beltmann North American guilty of screwing its employees out of union coverage. Two months later, Beltmann not only entered into a new contract with Local 705, it also settled the unfair labor practice charges, and opened the door for 10

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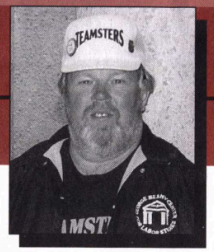
Office of the Secretary-Treasurer



Gerald Zero, Secretary-Treasurer

Members often call when problems arise and they see no solution. Usually 10 or 15 members a week talk to me about problems at their work place or about health & welfare or pension issues. But recently, some members called and asked about the large number of deadlocked grievances. They wanted to know why there are so many and what can be done to lessen the number.

To answer these questions, we have to look back to the days before the Local was placed under trusteeship. Then the Local was arbitrating about four cases per year. Arbitration is sometimes necessary to settle a deadlocked case. Prior to June 1993, deadlocked cases were not pursued and in fact members were not even kept informed about what was going on with their cases.

We believe strongly in the need to aggressively protect the contract and the rights of the members. Sometimes that means going to arbitration. In fact, when supervisors know a union will hesitate to arbitrate, it sends them the message that it's open season on our members. That's why the Local now arbitrates well over 100 cases each year. True, this is a larger expense than the previous administration incurred. But if we are going to represent our members properly, it's an expense we have to be willing to take on. Put it this way, it is cheaper to buy a car without an engine, but what good does it do you?

Proving that you are willing to arbitrate forces management to the table.

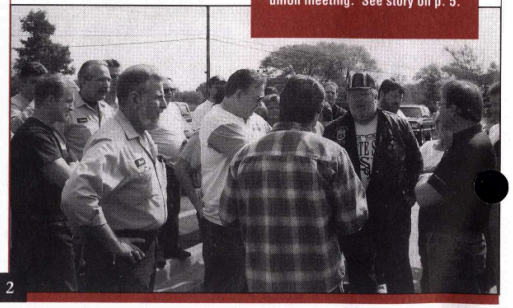
Instead of skimping on representing our members, our goal is to work toward bringing arbitration costs down in other ways. In past contracts, the cost of arbitration (approximately $2,500 per case) was shared 50-50 by the company and the Union. We felt this was not a fair system because it discourages the Union from pursuing cases that involve only small amounts of money. That system only encourages management to nickel-and-dime our members to death.

To improve representation while at the same time cutting costs, we negotiated new "loser pays" clauses into most contracts. That means we can now arbitrate any cases we think we should win no matter how small the settlement may be. Now substantial amounts of money have been awarded to our members through arbitrations, and in many instances management settles cases before they go to arbitration.

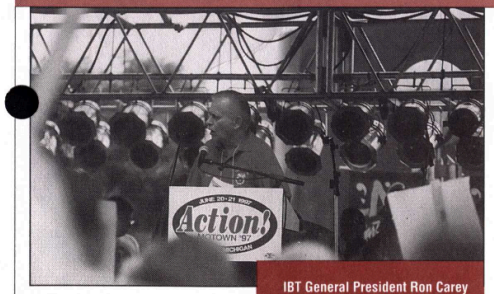
Another "language improvement" members should know about: We negotiated "innocent until proven guilty" language into several contracts, which we believe has already saved 450 to 500 jobs between the UPS, Freight and MCLAC contracts alone.

Before we added this language, members were frequently fired for little or no reason. And since the previous administration was only arbitrating about four cases per year, management at that time knew it could get away with it. But now unless a member is charged with one of the seven cardinal infractions, he or she is allowed to remain on the job while the grievance procedure is moving forward. As a result, I believe most employers are beginning to understand our new grievance procedure and —after paying substantial sums of money for trying to terminate our members for minor infractions—are now exercising some patience and common sense when dealing with problems that arise. Tom Nightwine, who chairs our grievance panels, tells me that this year alone dozens of members who were improperly terminated have been returned to work.

We have hundreds of contracts and more than 300 employers trying to find loopholes. All of this makes for a very busy legal department, but one that has won hundreds of thousands of dollars for our own members—and that is something that was long overdue.



Secretary-Treasurer Gerald Zero discusses strategy at AEI on-site union meeting. See story on p. 5.



IBT General President Ron Carey addresses massive crowd of union activists at the June 21 rally in support of striking Detroit newspaper workers.

Motown '97

120,000 union activists from around the country gathered in Detroit to rally behind the Detroit newspaper workers who have fought a dramatic two-year battle against multimillion-dollar corporate thugs whose goal is union busting no matter what the cost. These snakes have cost hardworking people their homes, families, jobs, and even many long-time friendships.

120,000 union activists chose to give up their weekend to support their brothers and sisters whose courage and determination has helped solidify the labor movement across this country.

120,000 union activists chose to hear speeches from strong, vibrant labor leaders such as John Sweeney and Rich Trumka from the AFL-CIO and Ron Carey of the International Brotherhood of Teamsters.

120,000 union activists chose to march through downtown Detroit with peaceful intent—no fights, no fires, no looting, just the dignity one would expect from hardworking union members.

Unfortunately 120,000 union activists was not enough of a story for the newspapers and television and radio stations to feature in the same vein they featured the O.J. trial, cult deaths, Whitewater, Paula Jones, Jim and Tammy Baker, Princess Di and Fergie, and other stories of "real significance" to American working people's lives. It is a despicable fact that the vast majority of newspapers and TV and radio stations are controlled by the same types of contemptuous corporate bloodsuckers who can laughingly call their newspaper the "Free Press."

120,000 union activists deserve to be heard. The Detroit newspaper kingpins and their buddies can refuse to give labor issues and labor events serious coverage. They can try to hide behind their lies and the lies of their friends. But in the end no amount of corporate greed or plundering will be enough to drown out the sound of the most successful labor gathering in decades.

Local 705 Health & Welfare Fund

As part of our continuing effort to improve the services to members, dental and vision claims are now being processed directly in the Fund Office.

Leahy and Associates, which previously handled dental and vision claims processing, will no longer be handling these functions, which will save the Fund $80,000 in service fees each year. No additional employees were hired by the Fund Office.

Thanks to its new computer system, the Fund Office is now operating more efficiently and productively. We have noticed that all claims, including medical, are being handled more promptly than before.

The new computer system also tracks eligibility for benefits for each member. Any member who loses coverage eligibility for any reason will be notified in advance, allowing the member to contact the Fund Office to resolve the problem before a claim or coverage is denied.

If you have any problems with your claims or eligibility, please contact the Fund Office.

Pension Fund Improvements

The Trustees of the Local 705 Pension Fund recently adopted five-year vesting, eliminating the 10-year requirement for current Fund participants.

This change is effective for participants of the Pension Fund after they have earned one year of vesting service (22 weeks of contributions) after January 1, 1997.

Participants will have a vested pension benefit entitlement based on five vesting years of employer contributions to the Pension Fund. If you have any questions regarding your eligibility for this improvement, please contact the Pension Department.

Local 705 members march in Detroit in support of newspaper employees' two-year battle against corporate greed.

UPShot

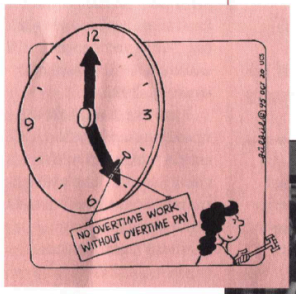
John McCormick
President

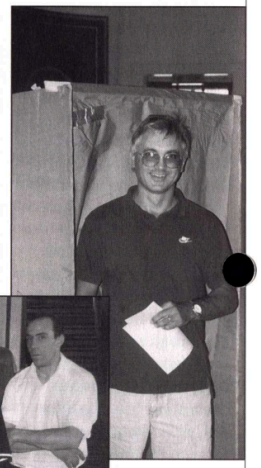
As you saw on our front page, an extremely important event took place Sunday, July 13. More than 2,000 Local 705 members and more than 63,000 Teamsters across the country cast ballots to support their UPS bargaining committees in the event a strike becomes necessary. The support was overwhelming—probably one of the strongest strike votes in Teamster history, with one of the largest turnouts ever.

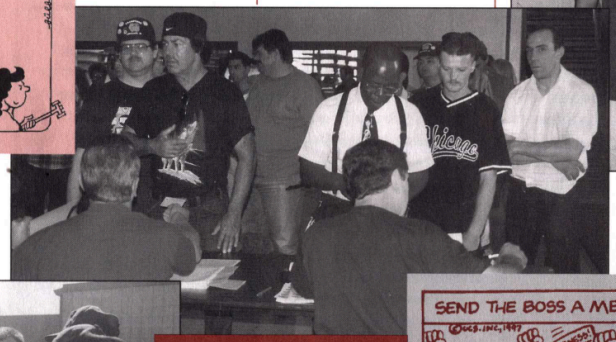
With this kind of solidarity, the members have shown that they are serious about the issues that are at the heart of these negotiations: decent pay and benefits improvements for full-timers; the need to greatly increase part-timers' pay and opportunities for full-time work; and the need to improve health and safety conditions for everyone.

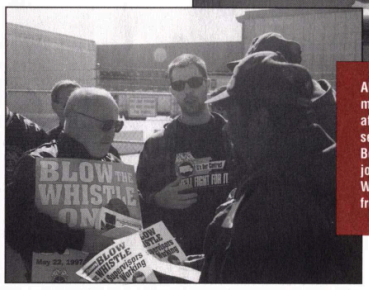
UPS management's response to the strike vote was to ask for an extension of the July 31 contract expiration date instead of immediately getting down to serious negotiations. The national bargaining committee's reply was a unanimous "No!"

We want to thank all Local 705 Teamsters for sending the message that they are ready to stand firm for contract justice. As always, we will continue to keep our lines of communication open to you as this process continues because unity from the Union Hall to the work-place floor is our greatest asset in making sure we get a good contract for all UPS Teamsters.









Above: More than 2,000 UPS members turned out for a strike vote after management refused to get serious in negotiations.
Below: UPS President John McCormick joins CACH members in Blow-the-Whistle campaign to stop supervisors from doing bargaining unit work.

Grievances & Arbitration

705 Member Returned to Work

UPS-JEFF member Andre Williams was reinstated with full back pay by an arbitrator's decision in June. Local 705 Recording Secretary Bennie Jackson coordinated Williams' defense at both the Joint Grievance Board and the arbitration hearings. The Union showed that UPS failed to enter several important facts about the case at previous steps in the grievance procedure. Jackson also noted that UPS failed to present corroborating witnesses to management's claim about the accused's actions. The arbitrator agreed with the Union, and ordered Andre Williams reinstated with full back pay.

Union Ingenuity Helps AEI Management See the Light

No matter how nicely we asked, Air Express International management just couldn't bring itself to stop messing around with members' paychecks. It finally took holding a two-hour union meeting on the busiest day of the week to convince the bosses that members just might be serious about wanting to be paid all the money they were due.

Management had refused to properly transfer funds after the Union had exercised its right to transfer $15 from the Health & Welfare Fund to members' paychecks. After management refused to listen to reason, Secretary-Treasurer Gerald Zero got its attention by holding a two-hour union meeting with AEI members at O'hare on the busiest day of the week. Along with a contingent of 705 staff members who attended the meeting, Zero assured the members that by the morning's end, management would be sure to transfer money owed to members.

It took a while, but management finally got the hint that this meeting could go on a long, long time unless this issue was resolved. The company then agreed to start making payments, including back pay, to its clerical employees.

Pony Express Delivers Another 705 Victory

Forty-two new Teamsters signed their first Local 705 contract this spring when the folks at Pony Express voted unanimously to accept a proposal that offered full Teamster contract language rights. Elija "Sonny" Morgan, the first-ever Pony Express steward, said, "It was a long battle but we finally have some dignity. We went from having no rights at all—no protection at all—to having strong contract language. We even have a successor agreement that guarantees our contract rights will continue if the company gets bought out. Everyone's happy with our Local 705 protection."

Still Growing. . .

Congratulations to Joyce Brothers members who have swelled their ranks from 15 members in January 1995 to 42 members as of this month, through contract negotiations and enforcement. But it isn't over yet; members expect the trend to continue.

REMINDER! All members should call the Union office at (312) 738-2800 the first day he/she is off work to put yourself on the Sick List. **The Sick List cannot be back dated so be sure to call the first day!** Also, remember to call and have yourself taken off of the list when you return to work. If you don't get a response within two days (you know how messages sometimes get garbled) *be sure to call back!*

SPECIAL REPORT

Corporate America Exposed

A Brief Sampling of Management Schemes, Scams and Screw Ups

"We see this kind of management deception and arrogance every day—it's not often they own up to it in print."

—Gerald Zero, Secretary-Treasurer

In this issue's special report, UPDATE brings you a snap shot of the state of "management wisdom" today. From union busting to price gouging, the selection of stories below shows just how far management is willing to sink. As every soldier knows, the key to winning battles is to know your enemy. Read on for an eye-opening (and stomach-turning) glimpse of corporate America.

NAFTA Effects

"Since NAFTA took effect, U.S. employers have routinely threatened to move production to Mexico," according to a Cornell University study commissioned by the U.S. Department of Labor. The study showed that in union elections from 1993 to 1995, half of all employers facing a union vote threatened to close their plants. Unions lost nearly half of the elections in which that tactic was used, compared to 33 percent when it wasn't. And in cases where the employers lost the vote, 7.5 percent actually closed their plant—that's triple the level in the pre-NAFTA 1980's. *Business Week*, 1-27-97

Same Old Tricks, Same Old Lies

It looks like the editors of the trucking industry's management bible TRANSPORT TOPICS are talking out of both sides of their mouths again. On the one hand they claim trucking owners want to raise pay for drivers, but in another breath the bosses show that they're playing their same old games: scapegoating and divide-and-conquer to drive wages down.

A March 3 editorial in TRANSPORT stated, "For years, leading executives in the industry have been saying that drivers had to make more money. At an investment conference. . . truckload CEOs were saying that pay is the key."

Really? Then how do they explain a story in the January 20 issue of the same magazine, in which trucking bosses were asked, "Would the Mexican drivers be a good source of immigrant labor if it were available?" Here's how they answered:

"They would be, as would English, Australians, Russians, and any other nationality. . ." *Michael Starnes*, Chairman & CEO of M.S.Carriers, Memphis, Tenn.

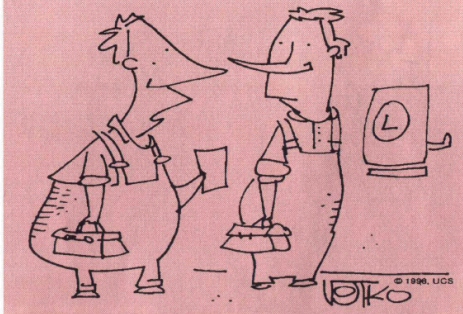
"The only way we are going to deal with the massive growth that we are going to have in this business is by doing what we have for 200 years: add to our labor pool people who want to come to this country. . . there is no way that the unions can prevent that. . . we are going to get them." *Thomas Donohue*, President, American Trucking Associates.

"I do not think that the industry has the margins to raise pay without some help from shippers. . . So we may have to look to relaxing immigration laws." *Michael Starnes*.

Once again, management's real plan is to pit worker against worker. We've seen it before—first it was the Irish, then the Poles, then the Italians. This time, instead of letting them play that game again, let's make them consider the Teamster answer: Stop Screwing People! One union; one pay scale; one set of rights for everyone!

Whose "Productivity" is the Problem Here?

Just as there's more than one way to skin a cat, there is (or should be) more than one way to look at management's favorite hobbyhorse: productivity. In a June 12 story in the *Chicago Tribune* business section, a Wall Street "analyst" said General Motors "has to catch up to its lower-cost competition." Well, maybe, but consider these facts:



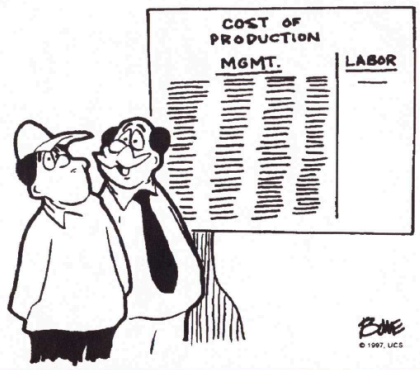
"It's a business cycle. Once WE'RE making third world wages, the jobs will come HERE."

Nissan Motors had the lowest labor costs of any auto producer last year, but the company had an after-tax loss of $332 per car in the same year. GM on the other hand had an after-tax profit of $242. And it would have been a $450 profit if the company hadn't forced a strike over downsizing issues—proving once again that management decisions (we won't call them boneheaded, but. . .) are often a much bigger drain on corporate profits than are labor costs.

By the way, Toyota earned a $540 profit on every call sold, while Ford earned $534 and Chrysler earned $1,076. It seems to us that all this talk about the effect of labor costs on profits is missing the point—except in the case of Chrysler, which, given the size of its profits, probably owes its UAW employees a raise!

Severance Severed

Think you don't need a union? You might want to take a look at the June 17 *Chicago Sun-Times* report about recently laid-off workers at World Book Inc. (the encyclopedia publisher), who got stuck big-time by billionaire owner Warren Buffet (net worth $15 billion). The laid-off workers, all with more than 20 years with the company, received a grand total of two weeks severance pay for their years of service, instead of one week for every year of service as set out in the employee handbook.



"Now do you see why high labor costs keep me from giving you a raise?"

"Severance is a benefit, not a right," a company spokesman said. And because the company is non-union, employers can extend or cancel severance offers at the drop of a hat. Adding insult to injury, the same spokesman defended giving laid-off management workers six times as much in severance by stating the difference "reflects . . . the contribution managerial employees make vs. non-managerial employees."

ATM Companies Triple Fees, Double Talk

Everyone tells us that high tech is the wave of the future, but we're wondering if that's a good thing. The June 12 edition of the *Chicago Tribune* business section reported that ATM fees have increased 300 percent in the past 14 months. The Senate Banking Committee, which was looking into the matter, asked two leading ATM companies, Cirrus and Plus, to explain themselves. Their response? A MasterCard spokesman (MasterCard owns Cirrus) said, "We have not been asked for that information. . . nor do we have it." UPDATE is confused - are these guys liars, or just stupid?

But Wait – There's More!

Let's not forget the geniuses at Quaker Oats. They bought Snapple Beverages a few years ago for $1.2 billion, then sold it a few months ago for less than half that amount - a loss of more than $600 million. It will probably be a few more months before we see how many employees lose their jobs because one lunkhead got snookered on an iced tea deal. A detailed account of the fiasco can be found in the May 30 issue of the *Chicago Reader*.

continued from page 1

new members to join the bargaining unit.

Under the settlement, the new members will receive more than $17,000 in back pay, and Beltmann will have to reimburse the Local for $3,000 in lost revenues. Finally, a $5,000 health insurance pool will be created to reimburse the new members proportionally for medical expenses they incurred during the time they should have been covered by a union-negotiated health insurance plan.

"Movers work hard, and they deserve the pay, benefits and protection Local 705 can give them."

—Mike Thornton

"This is a great settlement," said Local 705 Trustee and Beltmann driver Mike Thornton. "It takes hard work and smart work, but I think we'll almost triple our membership over what it was when we started our program."

Thorton also said continued internal organizing, grievances and possible Labor Board charges could add more 705 members to the Beltmann workforce. "Movers work hard, and they deserve the pay, benefits and protections Local 705 can give them. That's why they are all joining us in this fight. They know how important it is!"

A New Political Party – and Working People Are Invited

The Labor Party, a coalition of unions and concerned citizens, realizes that workers need a "People's lobbying force" to help defeat legislative attacks on average Americans. Starting with this issue, UPDATE will highlight some of the political changes the Labor Party supports. We have included a membership form that you can clip out if you want to help the party in its work.

The Labor Party supports the following positions:

- Changing the labor laws to force card-check recognition—this would limit employers' union-busting activities.
- Ending "tax break" competition between states —employers use this strategy to whipsaw workers and communities fearful of losing jobs.
- Establishing a tax on CEO stock options valued at more than $1 million—this would hold down outrageous management pay and "golden parachute" agreements.
- Adopting a financial cap on the amount of money political candidates can spend on an election.
- Adopting a law that requires all chemicals to be tested for their impact on human health and the environment before they can be introduced into the work place.

If you want to join, send your check and the form to:
The Labor Party
P.O.; Box 53177
Washington, DC 20009

Please sign me up as a member of Labor Party and send me the newspaper. I am enclosing:

- ☐ *$20 regular membership*
- ☐ *$10 unemployed/retired*
- ☐ *$50 sustaining member*

$100 Five Score Club (includes brass membership card). Indicate one of the following:

- ☐ *Cesar Chavez*
- ☐ *Eugene V. Debs*
- ☐ *Frederick Douglass*
- ☐ *Mother Jones*
- ☐ *John L. Lewis*

Make checks payable to the Labor Party.

Name _____

Address _____

City _____ *State* _____ *Zip* _____

Phone (indicate day or evening) _____

Union affiliation (if applicable) _____

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